



## Federal Health Care Reform Laws

**When can I enroll my adult child who is between the ages of 19-26 and not a student?**

**P**EEHIP has received a lot of calls and emails related to the recently enacted Federal Health Care reform laws, especially the question above. After reviewing the new laws, PEEHIP has determined that we are required to extend dependent **hospital medical** insurance coverage to adult unmarried or married children up to age 26 only if the adult child is not eligible to enroll in an employer-sponsored health plan other than PEEHIP.

This provision is effective the first plan year six months after enactment. For PEEHIP, the mandated provision is **effective October 1, 2010**. Members can enroll their eligible adult children during the upcoming Open Enrollment period which begins July 1, 2010, and ends August 31, 2010, for an effective date of coverage of October 1, 2010.

PEEHIP will require an additional charge to cover these adult children who do not otherwise qualify for coverage under PEEHIP's current student dependent program. PEEHIP will also require additional documentation, such as a copy of the birth certificate, as this provision applies to the biological child or adopted child of the **employee or retiree**, and does not extend to a stepchild, grandchild, or others not meeting these criteria. PEEHIP is working diligently to have the policies and procedures pertaining to coverage of adult children ready by July 1, 2010.

Unlike the provision specified above, most of the mandates in the new law that impact PEEHIP do not take effect on October 1, 2010. PEEHIP will continue to update our members through the *PEEHIP Advisor* and by posting information on our Web site regarding the above and other applicable mandates that are effective during the upcoming plan year. ■

## Getting Ready for Open Enrollment

**Make your coverage changes online!**

**O**pen Enrollment is right around the corner! If you are planning to make any changes to your PEEHIP coverages this year, PEEHIP recommends that you make them **online** through **Member Online Services (commonly referred to as MOS)**. Get ready now by registering for a MOS account if you have not already done so. During the registration process you will create your own User ID and Password to be used each time you login to the online system. Making your coverage changes online is by far the easiest, most efficient and is the preferred way, and you get a Confirmation Page to boot! Print a copy for your records and/or save an electronic copy to your computer.

Last year, PEEHIP received over 26,000 open enrollment requests from its active and retired members and 50% of these were made online through MOS. We anticipate an even higher rate of enrollment requests to be made online this year! Online enrollments save time and money for PEEHIP as well as for our members. MOS is so easy and user friendly to use that common errors normally made when using paper forms are eliminated when done online. You will **not** receive a confirmation that PEEHIP has received your **paper** enrollment form, but you will receive a confirmation page confirming that PEEHIP has received your **online** enrollment.

If you wish to continue your current insurance coverage, you do **not** need to reenroll. Exception: Reenrollment is required each year to renew participation/coverage in Flexible Spending Accounts, Federal Poverty Level premium discount, and PEEHIP CHIP.

If you have not already registered for a MOS account, go to [www.rsa-al.gov](http://www.rsa-al.gov), click Member Online Services, click "Register Now", and follow the on-screen prompts to create your User ID and Password. As an added benefit to using MOS, you can now access your TRS, RSA-1, PEIRAF or DROP account balances online! ■

# Medicare Part B

## It's Very Important to Enroll Timely!

**T**hese questions and answers shown below are for all PEEHIP members and their spouses, especially those who are retired or will be retiring and are age 65 or will be turning age 65 in the near future.

**Do I need Medicare Part B?** Yes, you need **both** Medicare Part A and Part B if you are retired and are Medicare eligible due to age or disability. You will not have adequate coverage if you do not have Medicare Part B.

**What happens if I do not enroll in Part B?** If you do **not** have Part B, PEEHIP will only pay 20% of the Medicare allowable fee as if you had Part B. You will be responsible for paying the 80% amount that Part B would otherwise have paid had you been enrolled in Part B.

**When should my Part B be effective?**

- ♦ **If you are retired and become Medicare eligible due to age,** your Part A and Part B coverage must be effective the first day of the month of your 65th birthday. **Exception:** If your date of birth is the first day of the month, you must have Medicare Parts A and B effective the first day of the month prior to your 65th birthday.
- ♦ **If you are retired, under age 65 and become Medicare eligible due to disability,** you must have both Part A and Part B at the time you become Medicare eligible.
- ♦ **If you are still actively employed and are eligible for Medicare due to age or disability,** your coverage under your employer's group health plan is primary to Medicare while you are still working. Some members choose to delay enrollment in Medicare Part B until they retire. **A word of caution for these members:** Upon retirement or if you stop working voluntarily or involuntarily, Medicare becomes primary to your PEEHIP coverage. It is your responsibility to timely enroll in and have Part B **effective the first day of the month in which you retire or stop working.**

Medicare's special enrollment period for those who are about to lose employer coverage and have delayed enrolling in Part B occurs within eight months after you stop working. If you miss this deadline, you will incur a penalty in terms of a higher Part B premium, and you will not have primary coverage until you are enrolled. Be advised that PEEHIP will not pay primary for months in which you do not have Medicare coverage.

- ♦ **If you are eligible for Medicare due to End Stage Renal Disease (ESRD),** PEEHIP will generally be primary and Medicare secondary for the first 30 months of your Medicare eligibility. Thereafter, Medicare will be primary and PEEHIP secondary. You must also have Medicare Part B beginning the 31st month of your Medicare eligibility.

**Will I have to pay a premium for Part B?** Yes. Medicare does charge a Part B premium which will be deducted from your Social Security benefit check. If you choose to defer receiving a check or if your check is less than the Part B premium, you must make payment directly to Medicare.

**Will my PEEHIP hospital medical premium be reduced when I become Medicare eligible?** Yes. Retirees will automatically have their PEEHIP premium reduced. However, in most cases, the reduction in the PEEHIP premium is offset by the amount of the Part B premium.



**What does Part B cover?** Medicare Part B covers doctors' bills and other outpatient services which are medically necessary, such as: outpatient hospital services, certain home health care services, and various medical services and supplies. After you have met your annual Medicare Part B deductible, Medicare will pay 80% of the allowable fee, and PEEHIP will pay the remaining 20%

of the Medicare allowable fee. You are also responsible for the PEEHIP copayment on physician visits.

**How do I enroll in Part B?** Enrollment is done through your local Social Security office. The initial Medicare enrollment period spans seven months – starting three months before your 65th birthday month and ending three months after your birthday month. Those receiving Social Security are automatically enrolled in Parts A and B unless you decline coverage. If you decline and are retired, you will pay an ongoing late enrollment penalty of 10% of the Part B premium for every 12 months you delay signing up, in addition to not having primary coverage.

**Whose responsibility is it that I enroll in Part B?** It is your responsibility to timely enroll in Part B coverage. As a courtesy, PEEHIP will mail an official letter and Medicare booklet to applicable members two months prior to their turning age 65. The courtesy letter informs you how your insurance benefits will change upon becoming Medicare eligible and the imperativeness of enrolling in Medicare Part B. ■

# PEEHIP's Student Dependent Program

A member can enroll their unmarried child as a dependent who meets all the following requirements:

- ◆ between the ages of 19 and 25,
- ◆ has legal residence with the member,
- ◆ wholly dependent upon the member for maintenance and support, and
- ◆ a registered **full-time student** at an accredited secondary or postsecondary school, college or university.

Verification of the dependent's student status is required upon turning age 19, and for each year thereafter until age 25.

## How the student verification process works:

- ◆ A dependent's student status must be updated with PEEHIP each year around the student's birthday.
- ◆ For members who currently have a covered child between the ages of 19 and 25, PEEHIP mails a **courtesy reminder letter** the first week of the month prior to the dependent's birth month. The letter is mailed in a PEEHIP envelope and it tells the member exactly how to update their student dependent.

For example, if your dependent has a May birthday, the letter will be mailed the first week of April and the dependent will be cancelled June 1 until he or she is updated as a full-time student. As long as the member updates the student before June 1, the cancellation date will be removed and the dependent will remain an eligible dependent. **Failure to timely update your student will result in a cancellation of coverage.**

- ◆ Your dependent must be full time 2 out of the 3 semesters or 3 out of the 4 quarters to remain eligible as a dependent on your coverage and must not have ever been married. A new school year starts each Fall and if your dependent takes a semester off other than the summer, you will need to write a letter to PEEHIP to request that semester off and to have continuous coverage your child must be full time in the summer of that school year.

## How to update your student dependent's status with PEEHIP:

- ◆ The easiest and most efficient way to update your student dependent's status is online through Member Online Services (MOS). Go to [www.rsa-al.gov](http://www.rsa-al.gov), click Member Online Services, and login. Click the "Update Student Dependent

Status" link and follow the on-screen prompts until you receive a confirmation page confirming that your student dependent was successfully updated.

- ◆ If you do not have access to the Internet, call the Student Update Line at 334.517.7149 and answer the automated questions. Your child will be updated, but you will not receive confirmation from PEEHIP that your information has been updated.
- ◆ As a last resort, complete the paper form entitled HEALTH INSURANCE AND OPTIONAL STATUS CHANGE form and mail or fax it to PEEHIP. You will not receive confirmation from PEEHIP that your information has been updated.

## Michelle's Law

On October 9, 2008, a federal law was enacted known as Michelle's Law. This law becomes effective for PEEHIP beginning October 1, 2010. In general, the law calls for health plans which require student status for dependent eligibility to provide temporary continuation of coverage during a medically necessary leave of absence from school.

In the event a child's student status changes due to a serious illness or injury, the child may be eligible to remain on the PEEHIP coverage for up to 12 months (or, if earlier, the date the dependent ceases to be an eligible dependent under the PEEHIP plan) if the child is on a physician recommended medically necessary leave of absence.

A medical leave of absence is defined by Michelle's Law as a leave of absence from school or any other change in enrollment status that:

- ◆ commences while the child is suffering from a serious illness or injury,
- ◆ is medically necessary, and
- ◆ causes the child to lose student status for purposes of coverage under the terms of the PEEHIP coverage.

In order for the student dependent to continue coverage with PEEHIP, the member must provide to PEEHIP written certification by the treating physician on the MEDICALLY NECESSARY LEAVE OF ABSENCE FROM SCHOOL CERTIFICATION form which states that the child is suffering from a serious illness or injury. This form can be obtained from PEEHIP or from the BCBS of Alabama Web site at [www.bcbsal.org](http://www.bcbsal.org).

## Permanently Incapacitated Dependents Turning Age 19

If you have a dependent child who is permanently incapacitated, request the Incapacitated Dependent form from PEEHIP about 6 weeks before the dependent's 19th birthday. If this dependent turns 19 and is still in high school, you still need to request this form so the dependent does not lose eligibility. Proof of the child's condition and dependence must be submitted to PEEHIP along with the completed form within 45 days after the date the child would otherwise cease to be covered because of age.

# Flexible Spending Accounts (FSA)

Enroll in FSA and keep more of  
the money you earn!

PEEHIP has redesigned its Flexible Spending Accounts web page found at [www.rsa-al.gov/PEEHIP/flex.html](http://www.rsa-al.gov/PEEHIP/flex.html) so that you can **quickly and easily** see how your participation in PEEHIP's Flex program can benefit you! PEEHIP and BCBS of Alabama are also in the process of creating a short video about the benefits of enrolling in a PEEHIP Flexible Spending Account. The video will soon be available to each school system and will be available on PEEHIP's Flexible Spending Accounts web page. Flex Open Enrollment is right around the corner so "do the homework" and get knowledgeable about the flex program and don't miss out on enrolling in flex this year! ■



## Visit the PEEHIP Web site

[www.rsa-al.gov/PEEHIP/peehip.html](http://www.rsa-al.gov/PEEHIP/peehip.html)



### What's New

- ◆ Cobra Subsidy News
- ◆ New Employees web page
- ◆ Updated Flexible Spending Account page

### Member Online Services

- ◆ Online Tutorials
- ◆ Register and log in
- ◆ Change your address
- ◆ Change your coverages during Open Enrollment
- ◆ Student Verification
- ◆ Make changes based on Qualifying Life Events
- ◆ New Employee enrollment in coverages

### What Else?

- ◆ Benefits and Policies
- ◆ Frequently Asked Questions
- ◆ Premiums
- ◆ Forms and Publications
- ◆ Retiree Information
- ◆ Important links
- ◆ Open Enrollment Information

## Changes in PEEHIP's Policies, Benefits and Premiums

The June 2010 issue of the *PEEHIP Advisor* will provide information about changes to the PEEHIP policies, benefits, and premiums approved by the PEEHIP Board for an October 1, 2010 effective date.